



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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For Immediate Release

Thursday, May 22, 2003

## Grassley Seeks Resolution of Chilean Trade Issues

WASHINGTON – Sen. Chuck Grassley, chairman of the Committee on Finance, with Sen. Max Baucus, ranking member, today urged U.S. trade negotiators to resolve issues that impede exports of U.S. agricultural products to Chile before the U.S.-Chile Free Trade Agreement comes to Congress.

On another note related to agricultural trade, Grassley said he is pleased with Mexico's decision yesterday to lift its antidumping duty order on live hogs from the United States on May 26. Grassley is hopeful that this action will soon be followed by a decision of Mexico to end its antidumping investigation on U.S. pork.

The text of the senators' letter to the U.S. Trade Representative on Chile follows.

May 22, 2003

The Honorable Robert B. Zoellick  
U.S. Trade Representative  
600 17<sup>th</sup> Street, N.W.  
Washington, D.C. 20508

Dear Ambassador Zoellick:

We are writing with regard to the U.S.-Chile Free Trade Agreement (FTA) and Chilean sanitary and phytosanitary (SPS) measures, as well as technical standards, that currently impede exports of U.S. agricultural products to Chile.

Many members of the Senate, including both of us, were confident that negotiations leading to a U.S.-Chile FTA would create an impetus for U.S. and Chilean officials to resolve problems associated with unreasonable technical standards and SPS measures imposed by Chile. We are pleased that some of these issues have been resolved, such as the agreement that will permit the sale

of U.S. beef in Chile under U.S. Department of Agriculture grades and Chile's agreement to allow the importation of dairy products manufactured in Food and Drug Administration approved facilities. It is our understanding, however, that a number of issues involving Chile's technical standards and SPS measures remain unresolved.

In particular, we are concerned that the matter of meat inspection equivalency with Chile has yet to be finalized. This issue directly affects hog producers in Iowa and cattle producers in Iowa and Montana. It is imperative that Chile permit the entry of pork and beef products processed in federally certified U.S. plants. We in the United States daily consume pork and beef processed in federally certified plants, and we know that these products are safe. The Chilean government cannot make a credible claim that these products are unsafe.

Chilean officials are aware of the importance of this issue to members of the Senate. In fact, Chile's Foreign Minister Maria Soledad Alvear informed one of us, Senator Grassley, during a meeting of December 10, 2002, that the meat inspection equivalency issue would be resolved prior to the conclusion of the FTA, yet Chile has not yet finalized its regulations regarding meat inspection equivalency.

We strongly urge you to work with your Chilean counterparts to resolve this issue before the U.S.- Chile FTA is sent to the Congress for review. After all, duty-free access for U.S. meat will mean nothing if sanitary trade barriers remain.

In addition, other outstanding issues involving Chilean technical standards and SPS measures remain unresolved. If these matters are not dealt with prior to the arrival of the U.S.-Chile FTA in the Congress, the support of some senators for the Agreement will be subject to question. Moreover, a failure to address problematic technical standards and SPS measures before the U.S.-Chile FTA is sent to the Congress would create bad precedent with regard to other FTAs that the United States is currently negotiating.

Thank you for your attention to this important matter.

Sincerely,

Charles E. Grassley

Max Baucus